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MARKETING FOOD PRODUCTS IN AMERICAN SAMOA

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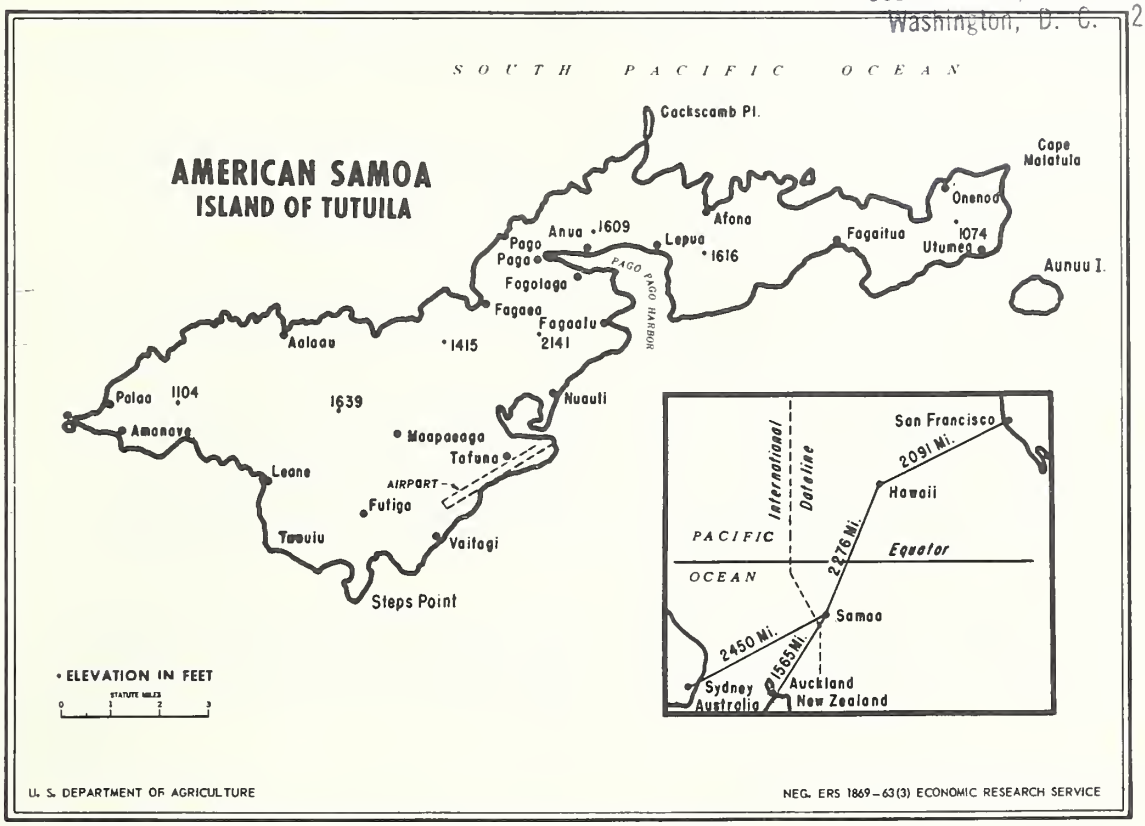

U.S. DEPARTMENT OF AGRICULTURE
Economic Research Service
Marketing Economics Division

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MARKETING FOOD PRODUCTS IN AMERICAN SAMOA 1/

Steps are being taken to stimulate the economic development of American Samoa, an underdeveloped territory of the United States. Improvement of domestic marketing practices is an essential part of this development.

The Economic Research Service conducted a study in 1962 of present marketing practices in order to recommend improvements. The Area Redevelopment Administration of the Department of Commerce provided funds for the study.

Retail trade is concentrated among a few retailers, with 4 firms controlling about half of the $3 million in retail sales. The American policy of protecting the Samoans from loss of their land has made it difficult for outside retailers to become established in Samoa. Relaxing these policies might increase competition. There are no specialized wholesale firms on the Island. Retailers either import their supplies or buy supplies from other retailers. Retail price levels vary greatly among major retailers. Prices in stores that buy supplies from other retailers were about 12 percent higher than those in other stores.

Retail prices in Samoa of food imported from the United States average about 48 percent more than retail prices in the United States. About one-third of this additional amount is due to higher retail margins taken by the Samoan retailers. The remaining two-thirds is due to charges for ocean freight, commission merchant fees, and import duties. Operating costs are relatively low and profit ratios are high for the major retailers compared with U. S. food retailers. The study indicates that improvements in the marketing system are needed and suggests further research on the potential effectiveness of a consumer cooperative that might reduce retail prices by increasing competition.

The public market for locally grown produce is unorganized, lacking both direction and supervision. A new market facility is needed to improve sanitation, to insure fair marketing practices, to encourage farmers to produce and market more products, and to provide marketing services not generally available now.

American Samoa has no weights and measures laws. Establishment of such a system is basic to the development of the economy. Enforcement of such a law would protect seller and consumer alike.

American Samoa is in the throes of changing from a subsistence agricultural economy to the economy of the Western World. To help bridge the gap, the agricultural economy must be revitalized and new sources of income developed, such as industrialization and tourism. Some new industries and tourism are already in prospect. Improved marketing practices are essential for the development of all sectors of the economy.

1/ Prepared by Henry T. Badger, agricultural economist, Marketing Economics Division, Economic Research Service.

This small South Pacific island group, ceded to the United States in 1900, is located about 14 degrees latitude south of the equator. Hawaii is about 2,300 miles northeast and Auckland, New Zealand, about 1,600 miles southwest.

American Samoa is composed of the 7 islands of the Samoan group east of the 171 meridian west longitude. Islands in the Samoan group west of this meridian are known as Western Samoa, an independent country since January 1962. Two of the islands comprising American Samoa are coral atolls; the other 5 are of volcanic origin. Pago Pago, the seat of the territorial government, is on Tutuila, the largest of the islands.

The population of American Samoa increased from 5,679 in 1900 to 20,051 in 1960. About four-fifths of the population live on the Island of Tutuila. Compared with the United States, the population of American Samoa is very young. The median age is 15.2 compared with 29.5 in the United States.

Tutuila is almost bisected by Pago Pago Bay. This mountain encompassed bay has one of the finest and most beautiful harbors in the world. There is a dock for ocean-going vessels -- either freighters or cruise ships.

The climate of these islands is tropical; temperatures range from 70 to 90 degrees year-round, and humidity averages about 80 percent. These conditions combine with a rainfall of about 200 inches a year to produce a lush growth of vegetation.

Samoans are one of the last groups of Polynesians to retain most of their cultural traditions. They are proud of their past and the older people tend to resist change from their traditional existence.

Resources on Samoa are limited. There are no known mineral deposits or natural resources other than agricultural lands and the marine life in the ocean. About one-fourth of the total land area is in farms. Much of this is poorly used. Many villages are located on the flat lands that are especially suitable for agricultural production, while much of the farming is done on the steep slopes of the mountains. It is common for crops to be planted on a 45 degree slope. Farming methods are primitive. The stick and machete are the most important farming implements, as most of the farm land is not tilled.

The people subsist mainly on native foods that are high in starch content, such as bananas, taro, and breadfruit. Their diets are supplemented by citrus fruits, papaya, coconut and other tropical fruits and vegetables. Fish and pork furnish a limited amount of protein for their diets. Fresh dairy products are not available. They also use imported foods, if they can afford them. Expanded employment off the farms has created demand for more imported foods.

Each extended family is headed by one of its members, who is known as the Matai or chief of the family. The Matai represents the family members in village affairs, is responsible for their protection and well-being, and acts as a trustee for the family lands and property. In return, the Matai expects the family members to render services to him by either contributing work on communal projects or their income from employment elsewhere on the Island. The traditional system of communal lands is a central force in the Samoan society.

The policy of the territorial government has been to maintain Samoa for Samoans. The land tenure policy in American Samoa is designed to keep land ownership in the hands of the Samoans. No person who has less than one-half Samoan blood or who has not been born in American Samoa may buy any of the communal land. Land that may be owned by persons other than native Samoans is limited in acreage and owned mainly by the major retailers.

The principal employment, other than work for the Matai on the village farms,

is provided by the Government of American Samoa and by a tuna canning plant operated by an American company. A Japanese fishing fleet supplies the cannery with fish. A limited amount of employment is provided by the retail establishments, bus and taxi services, and the manufacture of handicraft products for sale to tourists.

At present the U. S. Government, through its grant-in-aid program, is providing many improvements for this island territory. This includes a new system of roads, electrification of all villages, new schools, and educational television. A jet air strip was completed and put into service last year. Plans call for the completion of a modern hotel to provide accommodations for tourists. The Samoan people are financing the hotel. Tourism will be encouraged. Another tuna canning plant and a coconut processing plant soon will be in operation, and will provide additional employment.

The Economic Research Service conducted a study in 1962 of the marketing of food products in American Samoa. Funds for the study were provided by the Area Redevelopment Administration, U. S. Department of Commerce. 2/

Retail Trade

Retail trade in American Samoa has an estimated value of slightly less than $3 million a year. (This includes sales at "wholesale" prices to smaller retail stores.) Of the 115 retail establishments operating during the first quarter of 1962, a fourth accounted for 90 percent of the total retail sales. Ten of the largest establishments accounted for 58 percent of the total. However, 48 stores had sales of less than $2,000 per year and accounted for only 1 percent of total sales. Four firms, operating 20 establishments, control about half of the retail trade on the Island.

Clerks serve customers in all retail establishments; there is no self-service. The large- and medium-sized stores handle a rather complete line of food and general merchandise, but many of the small stores offer a very limited selection. 3/

All of the large stores and most of the medium-sized ones are located in three adjoining villages on Pago Pago Bay. Most of the small and a few of the medium-sized stores are located in villages scattered throughout the Island.

Buying Practices.--Most of the products sold by retail stores in American Samoa are imported from other countries. No specialized wholesaler distributors are on the Island. The large- and medium-sized retailers and a few small-sized retailers import their own supplies. The smaller stores buy most of their supplies from other stores on the Island at "wholesale" prices. These wholesale prices are for purchases in case lots or more and generally represent a 5 percent discount off regular retail prices. Less-than-case lots are sold at regular retail prices.

Store operators importing their own supplies generally order through commission merchants in the States. The commission merchant places orders directly with manufacturers, pays the bills, and assembles the merchandise for shipment to the Samoan merchant. For this service, the commission merchant generally collects a 5-percent commission from the retailer ordering the merchandise. Some commission merchants charge as high and 7 1/2 percent and others may charge as low as 2 1/2 to 3 percent, depending somewhat on the volume of the order and type of merchandise ordered.

2/ This study supplements a report entitled "The Economic Needs of American Samoa," by Nathan Koenig for the U. S. Senate Committee on Interior and Insular Affairs and published as Part II of Senate Document 38, 87th Congress, 1st Session.

3/ For this report large stores are classed as those with annual sales of $100,000 or more. Medium-sized stores are those with annual sales from $20,000 to $100,000, and small stores are those with sales under $20,000 a year.

Some merchants order directly from manufacturers. This importing generally is restricted to large volume merchandise, such as cigarettes, beer, and canned evaporated milk. Several retailers in American Samoa are exclusive distributors for various brands of these products. Other retailers have the choice of buying from the distributor or importing the product through a commission merchant. If the distributor can buy in sufficient quantity to qualify for volume discounts, then he may be in a position to offer his product to other retailers at a lower price than they can obtain through a commission merchant. However, few products can be bought in such large volume.

Merchants in Samoa usually place orders for goods with commission merchants without knowing the exact price they will pay for the merchandise. They learn the price after the commission merchant has placed the order with the manufacturers and they receive the invoice.

Often 2 months pass between ordering by a Samoan merchant and delivery to Pago Pago. Because of this, Samoan stores often run out of many items before a shipment arrives. Not only does an "out-of-stock" condition lose sales for retailers, but it creates a hardship for their customers. Consumers must go from one store to another until they find the item they want.

Selling Practices.--Retailers in American Samoa generally priced their products in multiples of 5 cents. Small stores priced about 90 percent of the items included in the survey in multiples of 5 cents, and the large and medium stores priced about three-fourths in this manner. Only 2 stores priced less than half of their products in multiples of 5 cents.

Merchants probably apply a percentage markup to the price delivered Pago Pago to arrive at their selling prices. Then they generally round the unit price upward to the nearest multiple of 5. This practice contributes to higher prices and highly variable margins, particularly for low-valued items. But, there is a tendency for the high volume items such as cigarettes and canned milk to be priced to the nearest cent rather than in multiples of 5 cents.

Many small stores marked up the price paid the larger store for the product by a set amount. For example, several operators stated that they added 5 cents to the purchase price of each item they handled regardless of purchase price. Others stated they added a smaller amount for the lower priced items than for the higher priced items.

Many retailers use the practice of varying the amount of product sold at the same stated price. For example, several stores were selling flour at 50 cents per bag, but the weight of the flour in the bags varied from 3 1/2 to 4 pounds among stores. Most of the customers bought "50 cents worth of flour" without knowing the actual weight of the flour in the bag.

It is believed that the different practices discussed here are the results of a desire on the part of both the merchant and the customer to simplify the arithmetic involved in a transaction. Pricing practices used on the public market also bear this out.

Every retail store contacted on the Island had a set of scales on the premises to use for weighing goods for sale. The accuracy of these scales is doubtful, particularly since they have never been checked for accuracy by a disinterested party. Two principal types of scales generally used by the retailers are the conventional balance type and the ordinary kitchen-type spring scales. Both types of scales often appeared to be in poor repair. If the balance-type scales were properly checked and leveled, they should give accurate weight, but it is doubtful if the spring-type scales could be made to give accurate weight. The spring-type scales generally were found in the small stores.

Scales are used principally to weigh out bulk sugar, flour, and rice, fresh fruits and vegetables, and fresh and frozen meats. These items represent a relatively small part of the total stock handled by the Samoan merchants. Most of the food products handled are packaged by the manufacturers.

Marketing Margins.--The retail cost of a market basket of 45 food items varied by about 9 percent among major retailers. The variation in retail cost was much greater for product groups than for the total market basket; the variation also was greater than generally encountered among competing supermarkets in the United States. Price levels were about 12 percent higher in stores that buy supplies from other retailers than in the stores of major retailers.

The gross retail margin for the larger retailers averaged about 25 percent of the retail price for a market basket of 45 food products (table 9). This margin was equivalent to a markup of about 34 percent of the price delivered Pago Pago. For the large stores margins ranged from 17 percent for meat products (excluding fresh and frozen meats) to about 35 percent for fruit and vegetable products.

Marketing charges include all charges incurred between the f.o.b. price at country of origin, and the price paid for the product at retail. The retail margins were the highest single marketing charge; ocean freight ranked next, averaging about 13 percent of the retail selling price for the major retailers. Duty, levied by the Government of American Samoa (GAS), averaged about 6 percent of the retail cost and charges made by commission merchants averaged about 3 percent (table 10).

Total marketing charges for moving food products to consumers in American Samoa average about 89 percent of the f.o.b. prices of the products either Stateside or in other countries. 4/ Food chains distribute products to consumers in the United States for an average markup of about 28 percent on prices comparable to these f.o.b. prices. 5/ In general, this means that for food bought from retailers (as contrasted with the large quantity they produce for themselves) the people of American Samoa are paying about 48 percent more than the people in the United States. One-third of this additional amount, or 16 percentage points, is due to the higher retail margins taken by Samoan retailers. Two-thirds is due to additional charges for ocean freight, commission merchant fees, and GAS duty.

Retail margins for 24 miscellaneous nonfood items sold in Samoan stores averaged about 34 percent of the retail prices. This average is equivalent to a markup of 51 percent. Retail margins ranged from 19 percent of the selling price for face soap to 55 percent for cotton thread.

Ocean freight for the nonfood products averaged about 7 percent of the retail price. GAS duty averaged about 12 percent of the retail prices of these products, and 25 percent of f.o.b. prices. The 5-percent buying commission for these same items averaged 2.3 percent of the retail price.

The accumulated findings of this study suggest that the establishment of a consumer cooperative would reduce the general retail price level by increasing competition. The study further suggests that a cooperative wholesale operation in combination with the retail cooperative might reduce prices in the smaller stores; but further research is needed. Land tenure and other policies generally prevent

4/ Samoan retailers perform about the same marketing functions as the U. S. food chains, such as buying, warehousing, and distributing to stores. Ocean freight, duty, and commission fees represent additional marketing charges applicable only to the Samoan situation.

5/ Robert D. Buzzell, Operating Results of Food Chains in 1961, Harvard Business School, Bull. No. 164, Sept. 1962.

Table 9.--Average and range in retail margins and markups for a market basket of 45 identical food products priced in 8 large stores, Island of Tutuila, American Samoa, May-June 1962 1/

Product groups	Average		Range			
			Lowest		Highest	
	Margin	Markup	Margin	Markup	Margin	Markup
	Percent	Percent	Percent	Percent	Percent	Percent
Meat 2/	17.3	20.9	13.4	15.5	21.2	26.9
Dairy	18.2	22.2	13.0	15.0	20.5	25.9
Cereal	27.9	38.7	17.4	21.0	39.2	64.5
Fruits and vegetables	34.5	52.6	15.9	18.8	43.3	76.4
Fats and oils	18.6	22.8	13.1	15.1	22.6	29.2
Poultry and eggs	28.7	40.3	22.0	28.2	32.4	47.8
Miscellaneous	23.8	31.3	16.9	20.3	30.2	43.3
All groups	25.2	33.8	15.7	18.7	32.5	48.1

1/ Retail margin shown as a percentage of retail selling price and markup shown as a percentage of price delivered Pago Pago. Large stores, annual sales of $100,000 or more.
2/ Does not include fresh meats, but includes canned fish products.

Table 10.--Average marketing charges as percentages of retail cost of a market basket of 45 identical food products, priced in 8 large and 9 medium-sized sample stores, by product groups, Island of Tutuila, American Samoa, May-June 1962

Store size and marketing charge	Meats 1/	Dairy	Cereal	Fruits and vegetables	Fats and oils	Poultry and eggs	Miscellaneous	All
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Large stores:								
Retail margin	17.3	18.2	27.9	34.5	18.6	28.7	23.8	25.2
Duty, GAS	9.6	---	7.1	2.7	8.9	---	8.0	5.9
Ocean freight	3.5	9.9	15.1	24.0	10.0	12.0	11.8	13.4
Buying commission	3.3	3.4	2.4	1.8	3.0	2.8	2.7	2.7
F.o.b. price	66.3	68.5	47.5	37.0	59.5	56.5	53.7	52.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Medium stores:								
Retail margin	14.5	20.3	26.6	37.8	18.0	33.6	24.4	26.0
Duty, GAS	10.0	---	7.3	2.5	9.0	---	8.0	5.9
Ocean freight	3.6	9.7	15.3	22.8	10.1	11.2	11.7	13.2
Buying commission	3.4	3.3	2.4	1.8	3.0	2.6	2.7	2.6
F.o.b. price	68.5	66.7	48.4	35.1	59.9	52.6	53.2	52.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Excludes fresh meats, and includes canned fish products.
2/ Large stores, annual sales of $100,000 or more.
3/ Medium stores, annual sales of $20,000 to $100,000.

outside retailers from entering into business. Modification of these policies might provide more competition. The enforcement of a weights and measures law would generally benefit both buyers and sellers. Also, the establishment of minimum standards of sanitation for retail establishments and regulations to insure proper handling of perishable products would be in the interest of the Samoan people.

The Public Market

Most of the agricultural production in Samoa is used in the villages where produced, and the surplus is sold privately or on the public market. The public market on the Island of Tutuila consists of the general area presently used as a bus terminal in the village of Fagatogo. This area includes the present government-owned market facility, a small covered area with a concrete floor, and an open area under the trees along the street to the north of the terminal area. In general, the market is unorganized.

Sellers in the market, who are mostly from the villages and farms on the Island, display products on the ground. The area under the trees appears to be the most popular. Those that use the market facility sit just inside in the shade and display products outside on the ground. The present market facility appears to serve as a meeting place for Samoans and as an area to wait for the bus. Because of the bus terminal, the market area probably has a higher concentration of people during the day than any area on the Island. The area, which is seldom cleaned and has large mud holes, is one of the most unsanitary places on the Island. Produce is often displayed on the ground in the sun or the rain and even near filth.

The area under the trees is used both as a place for buses to park and as a market place. The produce is unloaded and displayed a few feet from where the buses are parked when they arrive in the morning. Each seller sits on the ground next to his products, making little or no effort to sell. In many respects, activities in the market remind one of a social gathering. No doubt the social aspect is important to many sellers, many of whom are women. Men generally sell heavy items, such as green bananas and large quantities of taro.

No middlemen sell on this market. Most sellers come on the bus directly from their villages each morning. As many as 15 sellers from one village were observed on the market on a Saturday. Apparently, sellers from a village do not attempt to assemble their products and send only one seller to the market. A few sellers spend the night in the market area. Another family member, who may be coming in to work at another job, brings a fresh supply of products the next morning.

The one-way fare on the Government bus from the villages to the market varies from 25 to 60 cents, depending on the distance traveled. Fares are higher on private buses. Sellers also must pay as much as 25 cents per basket to haul their produce on the bus. Buses are open-air with benches made of boards on either side for the passengers. The baskets of produce are stacked in the aisle in the middle. Passenger inconvenience does not appear to be considered.

A study of the public market was conducted during the 5-week period from May 21 through June 23, 1962. The object was to ascertain the importance of the market in the Samoan economy and to observe marketing practices. The findings of this survey are to be used in planning for the future development of the market.

Value of Sales.--The value of products offered for sale on the Samoan Public Market is estimated to be about $88,000 per year. This estimate is based on the average of $1,684 per week for the 5 weeks of the survey. The value per week varied, ranging from a low of $1,267 during the first week to as much

as $1,955 during the third week. The estimate does not allow for seasonal changes in product availability. Sales made by American Samoans account for about $73,000 of the total annual sales. This represents a net addition to the Samoan economy because it is trade among the Samoan people involving their own resources. Sales by sellers from Western Samoa and Tonga amount to about $15,000 a year. In effect, sales by foreign sellers on the market represent a loss of potential production for the Samoan economy. Much of the $15,000 spent for these foreign products comes from Government salaries. In turn, these dollars are used by foreign Governments and their citizens to make purchases and investments in the United States.

The number of sellers on the market on Saturday, the most active day, averaged 53 and ranged from 33 during the fifth week to 70 during the second week. An average of only 11 sellers were on the market on Mondays.

Value per seller averaged $10.27 per day for the 5 weeks studied, ranging from $4.92 on Mondays to $14.60 on Saturdays. The median value per seller, however, was much lower than the average, ranging from $3.66 on Mondays to $9.30 on Saturdays. The median was consistently lower than the average throughout the study, which means more small sellers were on the market than large ones. At least one-third of all sellers averaged less than $5 per day.

Sellers offered about 35 products on the market during the study. The greatest variety was offered on Saturdays -- averaging 18 products. As many as 25 products were offered on the second Saturday and as few as 5 products on the fifth Monday. Since there is such a wide variation in availability of products by days of the week, potential market customers must select a day to shop when they expect certain products to be on the market.

Green bananas were the most important item offered for sale on the market -- accounting for 45 percent of the total value sold during this study. Taro, including giant taro, accounted for more than one-third of total value and mature coconuts for about 5 percent. Of all the items offered for sale on the market during the 5 weeks studied, 12 products accounted for 95 percent of the total value (table 11).

Pricing Practices.--Prices of products quoted to the enumerator varied little during the course of the survey. The price quoted apparently had little relation to the supply of a product on the market during a given day. The only product for which the price changed appreciably was green bananas, whose price rose from $1.50 to $2.50 per basket.

Many sellers did not change prices except at the end of the day and did not take unsold products back to their village. At the end of the day or when they decided to leave the market, they would sell out at a reduced price or give their products away. In a conventional competitive market we would expect gradual price changes.

Prices made little or no response to seasonal changes in supply. For example, breadfruit was plentiful when the study began, but it was rarely on the market near the end of the study because the growing season was about over. However, the price of breadfruit remained about the same.

Sellers on the public market priced all their products in multiples of 5 cents. Many products were priced at 25 or 50 cents or a dollar a unit. Perhaps the main reason for this pricing practice was ease of computation for both buyer and seller.

Weights and Measures.--The volume of the "Samoan standard container," a basket woven from a coconut frond, varies with the size of the frond from which it was woven. The quantity of product that can be loaded in the basket varies greatly. For example, several baskets of green bananas, each selling for $2.50, were weighed and found to vary from 55 to

Table 11.--Value of products for sale on the public market, 5 weeks during May and June 1962, Island of Tutuila, American Samoa

Products	Value of products		
	Total (5 weeks)	Average per week	Percentage of total
	Dollars	Dollars	Percent
Green bananas	3,813.25	762.65	45.2
Taro	2,459.22	491.84	29.2
Giant taro	433.00	86.60	5.1
Coconuts (mature)	420.75	84.15	5.0
Oranges	174.18	34.84	2.1
Firewood	139.50	27.90	1.7
Coconuts (green)	136.35	27.27	1.6
Yams	101.33	20.27	1.2
Samoan oil	91.50	18.30	1.1
Tobacco	82.00	16.40	1.0
Papayas	78.70	15.74	.9
Ripe bananas	61.91	12.38	.7
Cooked food (ifi, aiga, and vi)	56.50	11.30	.7
Cabbage	50.55	10.11	.6
Cucumbers	46.06	9.21	.5
Pineapples	41.00	8.20	.5
Breadfruit	32.50	6.50	.4
Limes	31.76	6.35	.4
Banana leaves	31.25	6.25	.4
Taro leaves	21.75	4.35	.3
Lemons	17.70	3.54	.2
Tauago (strainer)	13.60	2.72	.2
Sugarcane	12.55	2.51	.1
Taro plants	11.50	2.30	.1
Onions	11.00	2.20	.1
Green beans	10.90	2.18	.1
Uta (shell necklace)	8.00	1.60	.1
Faavai (taro bread)	7.50	1.50	.1
Radishes	7.30	1.46	.1
Starch	5.50	1.10	.1
Fish	5.00	1.00	.1
Miscellaneous	8.58	1.72	.1
Total	8,422.19	1,684.44	100.0

85 pounds. Although the Samoan basket is functional and is free of cost except for the labor required to weave it, it should not be used as a unit of measure.

Many items are sold by the "piece" on the public market. The seller estimates the size of the product and sells it at "so many pieces" for a certain amount of money. For example, taro is sold at 1 to 10 pieces for a dollar, depending on the size of the roots. Actual weights of various lots of taro, each selling for a dollar, ranged from 11 to 17 pounds. In this situation, both the seller and the buyer need the protection of standard weights and measures.

Many sellers on the market use the term "pound" without knowing its true

meaning. A handful of string beans may be considered a pound, or 12 ripe bananas. There is great need to educate sellers and buyers on the merits of basing transactions on standard units.

The present method of selling on the Samoan public market is archaic and unsanitary and does not meet the needs of an expanding economy. Assembly of products in villages would reduce the number of sellers on the market, which would save the time of unneeded sellers and costs of their transportation. Many of the marketing practices are unjust to both buyers and sellers because of the lack of standard weights and measures.

Both Samoan farmers and consumers need a new marketing facility and improved marketing practices. The USDA has drafted tentative plans for a new market. The present market does not provide Samoan farmers with the incentive to produce products to sell. The development of the domestic agricultural economy of American Samoa must be accompanied by an improved marketing system that includes new marketing facilities, better assembling methods, a weights and measures system, and also a new approach to marketing.

The management of the new marketing facility should demonstrate better marketing practices. Farmers in American Samoa should be encouraged to produce products to sell. To help accomplish this, extension workers must anticipate marketing requirements in advance to provide production guides for the farmers. Initiation of a simple grading system for farm produce could be used to emphasize the relation of price and quality.